COMMITTEE REPORT

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MR. PRESIDENT:

The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 528, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

1	Delete everything after the enacting clause and insert the following:
2	SECTION 1. IC 12-15-11.5-3, AS AMENDED BY P.L.141-2001,
3	SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4	JULY 1, 2002]: Sec. 3. (a) The office or the office's managed care
5	contractor may not provide incentives or mandates to the primary
6	medical provider to direct individuals described in section 2 of this
7	chapter to contracted hospitals other than a hospital in a city where the
8	patient resides.
9	(b) The prohibition in subsection (a) includes methodologies that
10	operate to lessen a primary medical provider's payment due to the
11	provider's referral of an individual described in section 2 of this chapter
12	to the hospital in the city where the individual resides.
13	(c) If a hospital's reimbursement for nonemergency services that are
14	provided to an individual described in section 2 of this chapter is
15	established by:
16	(1) statute; or
17	(2) an agreement between the hospital and the individual's
18	managed care contractor;
19	the hospital may not decline to provide nonemergency services to the
20	individual on the basis that the individual is enrolled in the Medicaid
21	risk based program.
22	(d) A hospital that provides services to individuals described in
23	section 2 of this chapter shall comply with eligibility verification and
24	medical management programs negotiated under the hospital's most
25	recent contract or agreement with the office's managed care contractor.
26	(e) This section expires December 31, 2002.

1   (f) **(e)** Notwithstanding subsection (a), this section does not prohibit
2   the office or the office's managed care contractor from directing
3   individuals described in section 2 of this chapter to a hospital other
4   than a hospital in a city where the patient resides if both of the
5   following conditions exist:
6   (1) The patient is directed to a hospital other than a hospital in a
7   city where the patient resides for the purpose of receiving
8   medically necessary services.
9   (2) The type of medically necessary services to be received by the
10   patient cannot be obtained in a hospital in a city where the patient
11   resides.
12   SECTION 2. IC 12-15-11.5-4.1, AS ADDED BY P.L.141-2001,
13   SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14   JULY 1, 2002]: Sec. 4.1. (a) A hospital that:
15   (1) does not have a contract in effect with the office's managed
16   care contractor; but
17   (2) previously contracted or entered into an agreement with the
18   office's managed care contractor for the provision of services
19   under the office's managed care program;
20   shall be reimbursed for services provided to individuals described in
21   section 2 of this chapter at rates equivalent to the rates negotiated under
22   the hospital's most recent contract or agreement with the office's
23   managed care contractor, as adjusted for inflation by the inflation
24   adjustment factor described in subsection (b). However, the adjusted
25   rates may not exceed the established Medicaid rates paid to Medicaid
26   providers who are not contracted providers in the office's managed
27   health care services program.
28   (b) For each state fiscal year beginning after June 30, 2001, an
29   inflation adjustment factor shall be applied under subsection (a) that is
30   the average of the percentage increase in the medical care component
31   of the Consumer Price Index for all Urban Consumers and the
32   percentage increase in the Consumer Price Index for all Urban
33   Consumers, as published by the United States Bureau of Labor
34   Statistics, for the twelve (12) month period ending in March preceding
35   the beginning of the state fiscal year.
36   (c) This section expires December 31, 2002.
    (Reference is to SB 528 as introduced.)

and when so amended that said bill be reassigned to the Senate Committee on Health and Provider Services.

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GARTON   Chairperson